

Message Text

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TO AMEMBASSY BELGRADE

C O N F I D E N T I A L STATE 090594

E.O. 11652: GDS

TAGS PFOR, YO, NATO

SUBJECT: NATO DISCUSSION OF YUGOSLAVIA

REF: STATE 089590

1. TEXT OF SECTION E (YUGOSLAVIA) OF INR ASSESSMENT OF TRENDS IN THE USSR AND EASTERN EUROPE FOLLOWS: QUOTE
E. YUGOSLAVIA. 105 INTERNAL. WITH APPROACH OF PARTY CONGRESS IN MAY, THE YUGOSLAV LEADERSHIP CONTINUED ITS EFFORTS TO MOULD PARTY INTO AN EFFECTIVE, UNITED CONTROL INSTRUMENT AND TO PREPARE FOR AN ORDERLY SUCCESSION -- WHILE TITO STILL ABLE TO LEND HIS PRESTIGE AND AUTHORITY TO THESE EFFORTS. THE EARLIER CAMPAIGN AGAINST LIBERALS HAS BEEN REPLACED BY ATTACKS AGAINST ALLEGED REVIVED THREAT OF A "NEO-STALINIST" FACTION. PARTY SECRETARY DOLANC AND VARIOUS CROATIAN PARTY LEADERS HAVE CHARGED THAT THESE ELEMENTS -- LABELLED AS CENTRALISTS, UNITARISTS, DOGMATISTS, AND HEGEMONISTS -- INTEND TO SEIZE POWER BY EXPLOITING CURRENT PRE-CONGRESS ELECTIONS. IN CROATIA, THE HEART OF THE FACTION CONSISTS OF SERBS (ALWAYS A STRONG MINORITY IN CROATIA, ABETTED BY HARDLINE CROATS, MAINLY
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OF PARTISAN VINTAGE. IT IS CHARGED THAT THESE ELEMENTS

SOUGHT SUPPORT OF CONSERVATIVES ELSEWHERE IN YUGOSLAVIA
IN ORDER TO BE IN A STRATEGIC POSITION IN POST-TITO ERA.
WHATEVER THE TRUTH OF THE CHARGES, PART OF RATIONALE UNDER-
LYING THE CAMPAIGN IS TO ENSURE THAT CANDIDATES FAVORED

BY THE PRESENT "MODERATE" LEADERSHIP WIN OUT IN APRIL
ELECTION.

106. THE NEW CONSTITUTION, PROMULGATED FEBRUARY 21, IS
INTENDED TO ENHANCE PARTY DIRECTION AND AUTHORITY,
WITHOUT DESTROYING FORMS OF GOVERNMENTAL AND ECONOMIC
DECENTRALIZATION. UNDER CONSTITUTION, THE NEW "BASIC
ORGANIZATIONS OF ASSOCIATED LABOR" ARE INTENDED TO GIVE
WORKERS GREATER DECISION-MAKING POWERS (IN THEORY,
IF NOT IN FACT). THE PARTY WILL ALSO CONTROL ELECTION--
NOW SIGNIFICANTLY INDIRECT--OF WORKER-DELEGATES FOR THE
FEDERAL ASSEMBLY AND ASSEMBLIES IN THE REPUBLICS,
PROVINCES, AND DISTRICTS. THERE IS, HOWEVER, NO DISPOSI-
TION TO RETURN TO AUTHORITARIAN RULE. SUBSTANTIAL
CHANGES IN SELF-MANAGEMENT ARE CONTEMPLATED, INVOLVING
FURTHER DECENTRALIZATION AND INCREASED WORKER CONTROL.
WHETHER TITO SUCCEEDS IN HIS AIM TO MAKE WORKING CLASS
THE MAIN FACTOR IN YUGOSLAV SOCIETY AND TO TRANSFER
POWER TO IT FROM ECONOMIC AND GOVERNMENTAL BUREAU-
CRACIES REMAINS QUESTIONABLE.

107. THE PROBLEM OF ENSURING ORDERLY AND VIABLE SUCCESSION
TO TITO CLEARLY REMAINS A MAJOR PREOCCUPATION FOR A
REGIME WHICH WILL HAVE TO COPE WITH FORMIDABLE HURDLES:
NATIONALITY FRICTIONS, INTER-REPUBLIC RIVALRIES, AND
ECONOMIC DIFFICULTIES. TITO HAS PATENTLY HAD MAJOR
ROLE IN SELECTION OF CANDIDATES FOR NEW NINE-MEMBER STATE
PRESIDENCY, WHICH INCLUDES LONG-TIME CRONIES BAKARIC
AND KARDELJ. TITO'S FORTNIGHT ABSENCE FROM PUBLIC VIEW
IN FEBRUARY, FOLLOWING A LAST MINUTE POSTPONEMENT OF A
TRIP TO HUNGARY, PROVOKED CONSIDERABLE SPECULATION ABOUT
A SUDDEN DETERIORATION IN HIS HEALTH. SINCE HIS RESUMPTION
OF DUTIES IN EARLY MARCH, AFTER A PERIOD OF DOCTOR-
ORDERED REST, YUGOSLAV MEDIA HAVE CONDUCTED BROAD
CAMPAIGN TO PORTRAY HIM AS VIGOROUS, ALERT LEADER IN FULL
COMMAND. WHILE TITO'S HEALTH AND ACTIVITIES ARE AMAZING
FOR A MAN OF 82, THERE IS NO DOUBT THAT THE YUGOSLAV
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LEADERSHIP AND POPULATION ARE INCREASINGLY CONCERNED
ABOUT THE POST-TITO FUTURE.

108. THERE IS ALSO CONSIDERABLE INTEREST AND SPECULATION
ABOUT ROLE OF THE ARMY IN POST-TITO ERA. ASIDE FROM
PARTY, ARMY IS THE ONLY ALL-NATIONAL INSTITUTION; IT IS
IN A POSITION TO PLAY A DECISIVE ROLE IN ANY SUCCESSION
STRUGGLE. SINCE CROAT CRISIS OF 1971, ARMY HAS STRESSED
ITS ROLE AS "PROTECTOR OF THE REVOLUTION". IT HAS MORE

CLOSELY TIED THE GUERILLA-TYPE TERRITORIAL FORCES TO ITS COMMAND BY A UNIFIED PRE-MILITARY TRAINING PROGRAM. IT WILL ALSO PLAY GREATER ROLE IN THE NEW FEDERAL ASSEMBLY SYSTEM. ON THE OTHER HAND, THE PARTY LEADERSHIP HAS SOUGHT OVER PAST YEAR TO REDUCE ARMY'S POLITICAL ACTIVITY AND TO SUBORDINATE IT TO PARTY.

109. DESPITE INCREASING PRODUCTION, EMPLOYMENT, AND EXPORTS, YUGOSLAV ECONOMY FACES DIFFICULT YEAR, LARGELY BECAUSE OF ENERGY-RAW MATERIALS CRISIS. INCREASED PRICES OF IMPORTED OIL AND OTHER RAW MATERIALS ARE EXPECTED TO COST COUNTRY SOME EXTRA \$500 MILLION, INCREASING INFLATIONARY PRESSURES. PROGRAMS TO OVERCOME INFLATION AND THE ENERGY-RAW MATERIALS CRISIS EMPHASIZE, I.A., HEAVILY INCREASED INVESTMENTS IN YUGOSLAVIA'S OWN ENERGY, RAW MATERIALS, AND AGRICULTURAL RESOURCES. NEW LEGAL PROVISIONS TO PROMOTE WESTERN INVESTMENT ARE UNDER CONSIDERATION, AND MAJOR EFFORT IS UNDERWAY TO OFFSET INCREASING OIL IMPORT COSTS THROUGH INCREASED EXPORTS OF INDUSTRIAL EQUIPMENT AND CONSTRUCTION SERVICES TO OIL-PRODUCING COUNTRIES (READ ARAB) AND TO DEVELOPING COUNTRIES BEING AIDED BY OIL-PRODUCERS.

110. FOREIGN RELATIONS. WHILE CONTINUING ON GOOD TERMS WITH ALL MAJOR POWERS INCLUDING CHINA, TITO HAS SUFFERED SETBACKS IN HIS FOREIGN POLICY. ALTHOUGH GIVING VIGOROUS SUPPORT TO THE ARABS IN MIDDLE EAST AND DEMANDING ROLE FOR NONALIGNED COUNTRIES (I.E. YUGOSLAVIA) IN ANY MIDDLE EAST SETTLEMENT, HE HAS BEEN EFFECTIVELY EXCLUDED FROM PLAYING ANY ROLE IN AREA. HIS RECENT VISIT TO THE INDIAN SUB-CONTINENT AND SYRIA AND THE TRAVELS OF LEADING YUGOSLAV OFFICIALS TO NONALIGNED AND DEVELOPING COUNTRIES HAVE HAD AS PRIMARY OBJECTIVES BOOSTING OF YUGOSLAVIA'S SLIPPING ROLE IN LEADERSHIP OF NONALIGNED MOVEMENT AND

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SALVAGING NONALIGNED UNITY AND SOLIDARITY IN WAKE OF THE ENERGY CRISIS. TITO REPORTEDLY HAS BEEN DEEPLY CONCERNED ABOUT LACK OF UNITY IN THE MOVEMENT. STRAINS HAVE SURFACED BETWEEN NONALIGNED OIL-CONSUMING AND OIL-PRODUCING COUNTRIES, WITH THE ARABS BEING CRITICIZED FOR POLICIES WHICH ARE SAID TO HURT MOST THOSE VERY COUNTRIES, INCLUDING YUGOSLAVIA, WHICH MOST FERVENTLY SUPPORTED ARAB CAUSE AGAINST ISRAEL.

111. TITO'S VISIT TO KIEV IN NOVEMBER AND EXCHANGES OF SEVERAL VISITS WITH THE EAST EUROPEANS HIGHLIGHTED CONTINUING IMPROVEMENT IN RELATIONS WITH THE USSR AND OTHER EAST EUROPEAN REGIMES. WHILE PUBLIC CRITICISM OF THE SOVIETS HAS BEEN MINIMAL SINCE BREZHNEV'S VISIT TO YUGOSLAVIA IN 1971, FORMER YUGOSLAV AMBASSADOR TO THE USSR HAS RECENTLY PUBLICLY REITERATED YUGOSLAV CRITICISM

OF THE "BREZHNEV DOCTRINE" AND REJECTED SOVIET CONCEPT OF "PROLETARIAN INTERNATIONALISM". TITO'S MID-APRIL SPEECH, HOWEVER, INSISTS THAT YUGOSLAVIA "NEED NOT FEAR THE USSR".

112. YUGOSLAV OFFICIAL SPOKESMEN AND MEDIA HAVE TEMPORARILY AVOIDED THE EXTREME STATEMENTS AND CRITICISM OF US POLICY WHICH HAVE COMPLICATED BILATERAL RELATIONS. YUGOSLAV OFFICIALS HAVE STRESSED THEIR INTEREST IN AVOIDING

IRRITANTS IN BILATERAL RELATIONS AND CONTINUING A "DIALOGUE". ATTACKS ON THE US -- AND NATO -- RESUMED, HOWEVER, AS THE REGIME LAUNCHED AN INTENSIVE PROPAGANDA CAMPAIGN AGAINST ITALY OVER THE TRIESTE DISPUTE. IT IS NOT YET CLEAR HOW FAR THE YUGOSLAVS INTEND TO FORCE ISSUE IN ORDER TO OBTAIN SETTLEMENT TO WHICH TITO ASPIRES. END QUOTE.

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